

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2668 - SB 2869

March 5, 2022

SUMMARY OF BILL: Entitles any commissioned member of the Tennessee Wildlife Resources Agency (TWRA) or Tennessee Bureau of Investigation (TBI) who is a retiree with 25 years of service to receive 80 percent of the scheduled insurance premium or defined contribution.

FISCAL IMPACT:

**Increase State Expenditures – \$400,000/Each FY22-23 through FY24-25
\$300,000/Each FY25-26 through FY34-35
\$200,000/FY35-36
\$100,000/Each FY36-37 through FY37-38**

Other Fiscal Impact - In FY38-39 and subsequent years, the OPEB liability will begin to decrease and eventually reach zero when all eligible TWRA members no longer receive subsidy benefits.

Assumptions:

- This legislation will impact wildlife officers and TBI agents that retire after 25 years of service, but less than 30 years of service.
- Such benefit is currently only available to Tennessee Highway Patrol officers with at least 25 years of service, as established by Public Chapter 518 of 2021.
- This legislation will result in a recurring increase in Other Post-Employment Benefits (OPEB), as received through the State Group Insurance Program (SGIP).
- Such increase represents a recurring increase in state expenditures.
- AON, an independent actuary, provided analysis which estimated the impact of this legislation.
- Such analysis considered retirement insurance benefits to approximately 200 active participants on an 80 percent subsidy when retiring after 25 years of service.
- Employees hired on or after July 1, 2015 are not impacted by this analysis.
- According to AON, this legislation will result in the following estimated increases in state expenditures, per fiscal year:

FY22-23	\$400,000
FY23-24	\$400,000
FY24-25	\$400,000
FY25-26	\$300,000
FY26-27	\$300,000
FY27-28	\$300,000
FY28-29	\$300,000
FY29-30	\$300,000
FY30-31	\$300,000
FY31-32	\$300,000
FY32-33	\$300,000
FY33-34	\$300,000
FY34-35	\$300,000
FY35-36	\$200,000
FY36-37	\$100,000
FY37-38	\$100,000

- In FY38-39 and subsequent years, the OPEB liability will begin to decrease and eventually reach zero when all eligible TWRA members no longer receive subsidy benefits.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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